

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A brief description of major enterprise funds follows:

Housing Loan Fund accounts for contracts for the sale of properties to California veterans and California National Guard members, and program loans to finance the housing needs of persons and families of low and moderate income.

Water Resources Fund accounts for charges to local water districts and the sale of excess power to public utilities.

School Building Aid Fund accounts for loans to school districts for acquisition, construction, or rehabilitation of classroom facilities, and for income from the rental of portable classrooms to school districts.

Toll Facilities Fund accounts for fees collected for crossing state toll bridges.

California State University Fund accounts for charges to students for housing and parking and student fees for campus unions, health centers, and self-supporting educational programs.

Leasing of Public Assets Fund accounts for rental charges from the lease of public assets.

State Lottery Fund accounts for the sale of lottery tickets.

Harbors and Watercraft Fund accounts for the activities of the Department of Boating and Waterways, which includes loans, grants, and subventions to local governments for harbor improvements and boating safety and enforcement programs.

Health Facilities Construction Loan Insurance Fund accounts for an insurance program for health facility construction loans.

Other Enterprise Funds account for all other goods or services provided to the general public on a continuing basis when all or most of the cost involved is to be financed by user charges, or when periodic measurement of the results of operations is appropriate for management control, accountability, capital maintenance, public policy, or other purposes.

Enterprise Funds

Combining Balance Sheet

June 30, 1997

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
ASSETS				
Cash and pooled investments.....	\$ 339,195	\$ 348,565	\$ 70,647	\$ 707,951
Investments.....	822,422	71,865	—	3,463
Receivables (net).....	19,489	6,570	—	2,211
Due from other funds.....	5,395	72,147	—	8,842
Due from other governments.....	—	46,361	3,179	—
Prepaid items.....	—	6,183	—	15,000
Inventory, at cost.....	—	15,384	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	2,215,650	76,558	237,140	5,759
Deferred charges.....	6,313	1,045,241	—	2,446
Fixed assets.....	7,834	3,338,106	72,319	535,311
Other assets.....	52,011	—	—	255
Total Assets.....	\$ 3,468,309	\$ 5,026,980	\$ 383,285	\$ 1,281,238
LIABILITIES				
Accounts payable.....	\$ 1	\$ 61,700	\$ 409	\$ 56
Due to other funds.....	2,390	34,612	56,128	21,391
Due to component units.....	—	—	1,556	—
Due to other governments.....	—	48,519	—	4,007
Advances from other funds.....	84,260	25,143	—	6,160
Benefits payable.....	69,083	—	—	—
Deposits.....	9	—	—	1,290
Contracts and notes payable	—	—	—	—
Lottery prizes and annuities.....	—	—	—	—
Compensated absences payable.....	—	13,734	—	—
Commercial paper.....	—	59,810	—	—
Advance collections.....	—	258,207	—	—
General obligation bonds payable.....	2,632,045	1,058,945	7,500	—
Revenue bonds payable.....	327,580	2,329,379	—	50,405
Interest payable.....	80,502	25,621	—	416
Other liabilities.....	1	480	—	9
Total Liabilities.....	3,195,871	3,916,150	65,593	83,734
FUND EQUITY				
Contributed capital.....	—	178,031	—	—
Retained earnings				
Reserved for regulatory requirements.....	—	—	—	—
Unreserved.....	272,438	932,799	317,692	1,197,504
Total Retained Earnings.....	272,438	932,799	317,692	1,197,504
Total Fund Equity.....	272,438	1,110,830	317,692	1,197,504
Total Liabilities and Fund Equity.....	\$ 3,468,309	\$ 5,026,980	\$ 383,285	\$ 1,281,238

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities			Other Enterprise	Total
				Construction	Loan Insurance			
\$ 514,165	\$ 367,962	\$ 182,099	\$ 100,627	\$ 132,355	\$ 67,019	\$ 2,830,585		
—	136,803	2,669,280	—	—	11,452	3,715,285		
13,565	—	53,019	70	48	4,024	98,996		
13,010	138,751	8,118	3,230	3,849	7,171	260,513		
—	—	—	7,273	—	1,603	58,416		
556	—	495	238	—	251	22,723		
—	—	2,155	—	—	3,075	20,614		
—	4,269,352	—	—	—	—	4,269,352		
3,243	—	—	200,757	—	29,214	2,768,321		
—	62,199	2,312	—	—	—	1,118,511		
714,265	681,694	54,016	874	8	26,971	5,431,398		
32	—	—	355	—	—	52,653		
\$ 1,258,836	\$ 5,656,761	\$ 2,971,494	\$ 313,424	\$ 136,260	\$ 150,780	\$ 20,647,367		
\$ 14,894	\$ 43,229	\$ 26,519	\$ 13,043	\$ 9,318	\$ 14,133	\$ 183,302		
15,464	16,557	179,120	9,081	933	2,099	337,775		
—	1,023	—	—	—	—	2,579		
—	849	—	68,123	106	50	121,654		
2,663	—	—	—	—	4,738	122,964		
—	—	—	—	—	902	69,985		
822	—	836	355	—	3,020	6,332		
—	—	—	—	—	947	947		
—	—	2,758,046	—	—	—	2,758,046		
7,476	—	4,019	388	190	—	25,807		
—	—	—	—	—	—	59,810		
45,618	21,799	2,954	31	362	1,316	330,287		
—	—	—	—	—	47,105	3,745,595		
485,703	5,353,971	—	—	—	—	8,547,038		
5,230	69,185	—	—	—	—	180,954		
941	—	—	26	15	10,882	12,354		
578,811	5,506,613	2,971,494	91,047	10,924	85,192	16,505,429		
17,202	—	—	—	—	21,014	216,247		
266,271	—	—	—	—	—	266,271		
396,552	150,148	—	222,377	125,336	44,574	3,659,420		
662,823	150,148	—	222,377	125,336	44,574	3,925,691		
680,025	150,148	—	222,377	125,336	65,588	4,141,938		
\$ 1,258,836	\$ 5,656,761	\$ 2,971,494	\$ 313,424	\$ 136,260	\$ 150,780	\$ 20,647,367		

Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 1997

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
OPERATING REVENUES				
Lottery ticket sales.....	\$ —	\$ —	\$ —	\$ —
Services and sales.....	8,628	561,578	—	139,803
Earned premiums (net).....	429	—	—	—
Investment and interest.....	224,153	—	—	—
Rent.....	—	—	24,432	3,245
Other.....	1,231	—	—	509
Total Operating Revenues.....	234,441	561,578	24,432	143,557
OPERATING EXPENSES				
Lottery prizes.....	—	—	—	—
Personal services.....	11,342	112,317	1,981	26,729
Supplies.....	—	—	—	371
Services and charges.....	12,462	148,676	2,914	15,861
Depreciation.....	716	58,733	3,720	13,867
Interest expense.....	230,873	—	1,056	—
Amortization (recovery) of deferred charges.....	—	61,360	—	430
Total Operating Expenses.....	255,393	381,086	9,671	57,258
Operating Income (Loss).....	(20,952)	180,492	14,761	86,299
NONOPERATING REVENUES (EXPENSES)				
Grants received.....	—	—	—	—
Grants provided.....	—	—	—	(34,444)
Interest revenue.....	10,843	21,223	92,870	35,254
Interest expense and fiscal charges.....	(13)	(174,860)	(653)	(2,172)
Lottery payments for education.....	—	—	—	—
Other.....	(8,811)	(8,395)	—	—
Total Nonoperating Revenues (Expenses).....	2,019	(162,032)	92,217	(1,362)
Income (Loss) Before Operating Transfers.....	(18,933)	18,460	106,978	84,937
OPERATING TRANSFERS				
Operating transfers in.....	12,299	—	—	6
Operating transfers out.....	(10,857)	—	(57,517)	(2,995)
Total Operating Transfers.....	1,442	—	(57,517)	(2,989)
Net Income (Loss).....	(17,491)	18,460	49,461	81,948
Retained Earnings, July 1, 1996.....	289,929	914,339	268,231	1,115,556
Retained Earnings, June 30, 1997.....	\$ 272,438	\$ 932,799	\$ 317,692	\$ 1,197,504

California State University	Leasing of Public Assets		State Lottery	Harbors and Watercraft	Health Facilities			Total
					Construction	Loan Insurance	Other Enterprise	
\$ —	\$ —	\$ 2,063,135	\$ —	\$ 6,716	\$ —	\$ 8,814	\$ 76,191	\$ 2,063,135
256,984	—	—	—	6,716	—	8,814	76,191	1,058,714
—	—	—	—	—	—	—	—	429
1	45,325	—	—	—	—	—	1,688	271,167
—	328,413	—	—	—	—	—	—	356,090
830	85	—	—	—	—	—	761	3,416
257,815	373,823	2,063,135		6,716		8,814	78,640	3,752,951
—	—	1,030,536	—	—	—	—	—	1,030,536
83,562	—	46,488	2,947	—	1,353	—	230	286,949
—	—	67,662	—	—	—	—	—	68,033
106,650	42,489	195,148	32,573	—	34,096	—	69,780	660,649
—	—	9,597	—	—	—	—	13	86,646
—	291,249	—	—	—	—	—	4,002	527,180
—	5,173	1,803	—	—	—	—	—	68,766
190,212	338,911	1,351,234		35,520		35,449	74,025	2,728,759
67,603	34,912	711,901		(28,804)		(26,635)	4,615	1,024,192
389	—	—	—	—	—	—	—	389
—	—	—	—	—	—	—	—	(34,444)
24,628	—	15,500	13,548	—	7,748	—	2,688	224,302
(28,049)	—	—	—	—	—	—	(1,306)	(207,053)
—	—	(727,626)	—	—	—	—	—	(727,626)
—	—	225	—	—	—	—	—	(16,981)
(3,032)	—	(711,901)		13,548		7,748	1,382	(761,413)
64,571	34,912	—		(15,256)		(18,887)	5,997	262,779
8,708	543,162	—	31,574	—	—	7,599	—	603,348
(33,137)	(543,310)	—	—	—	—	(1,577)	—	(649,393)
(24,429)	(148)	—		31,574		—	6,022	(46,045)
40,142	34,764	—	16,318		(18,887)		12,019	216,734
622,681	115,384	—	206,059		144,223		32,555	3,708,957
\$ 662,823	\$ 150,148	\$ —	\$ 222,377		\$ 125,336		\$ 44,574	\$ 3,925,691

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 1997 (Amounts in thousands)	Housing Loan	Water Resources	School Building Aid	Toll Facilities
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss).....	\$ (20,952)	\$ 180,492	\$ 14,761	\$ 86,299
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS				
Interest expense on operating debt.....	—	—	—	—
Depreciation.....	716	58,733	3,720	13,867
Accretion of capital appreciation bonds.....	—	—	—	—
Provisions and allowances.....	—	—	—	—
Accrual of deferred charge.....	—	—	—	—
Amortization of deferred credit.....	—	(3,460)	—	—
Amortization of discounts.....	1,138	—	—	—
Amortization (recovery) of deferred charges.....	—	61,360	—	430
Purchase of program loans.....	(149)	—	—	—
Collection of principal from program loans.....	139,348	—	—	—
Other.....	(8,811)	—	—	—
Change in assets and liabilities				
Receivables.....	4,164	632	—	169
Due from other funds.....	(660)	68	—	3,664
Due from other governments.....	—	7,472	949	—
Prepaid items.....	—	4,502	—	(1,000)
Inventory.....	—	1,574	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	—	—	—	—
Other assets.....	6,652	—	—	(16)
Accounts payable.....	(250)	(6,287)	409	1
Interest payable.....	(6,214)	—	—	—
Due to other funds.....	(704)	(1,279)	(5,073)	6,526
Due to other governments.....	—	(15,522)	—	3,272
Benefits payable.....	(13,757)	—	—	—
Deposits.....	9	—	—	20
Lottery prizes and annuities.....	—	—	—	—
Contracts and notes payable.....	—	—	—	—
Compensated absences payable.....	—	(3,485)	—	—
Capital lease obligations.....	—	—	—	—
Advance collections.....	—	2,129	—	—
Other liabilities.....	1	(1,845)	—	(7)
Total Adjustments	121,483	104,592	5	26,926
Net Cash Provided by (Used In) Operating Activities	100,531	285,084	14,766	113,225
CASH FLOWS FROM NONCAPITAL FINANCING				
ACTIVITIES				
Return of advances from other funds.....	(50,000)	—	—	—
Retirement of general obligation bonds.....	(182,550)	—	(10,500)	—
Retirement of revenue bonds.....	(47,395)	—	—	—
Interest paid on operating debt.....	—	—	(653)	—
Operating transfers in.....	12,299	—	—	—
Operating transfers out.....	(10,857)	—	(57,517)	(2,995)

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities			Total
				Construction	Loan Insurance	Other Enterprise	
\$ 67,603	\$ 34,912	\$ 711,901	\$ (28,804)	\$ (26,635)	\$ 4,615	\$ 1,024,192	
— 24,126	—	—	—	—	—	—	24,126
— — 9,597	—	—	—	—	13	—	86,646
— 10,510	—	—	—	—	—	—	10,510
— — (1,796)	—	—	—	—	—	—	(1,796)
— (854)	—	—	—	—	—	—	(854)
— — —	—	—	—	—	—	—	(3,460)
— 982	—	—	—	—	—	—	2,120
— 1,510	1,803	—	—	—	—	—	65,103
— — —	—	—	—	—	—	—	(149)
— — —	—	—	—	—	—	—	139,348
— 7,540	3,768	—	—	—	—	—	2,497
(1,491) — (3,755)	—	161	90	678	—	648	
(1,933) (19,553) (67)	—	(775)	60	574	—	(18,622)	
— — (608)	—	—	—	119	—	7,932	
(518) — 398	(75)	—	—	(4)	—	3,303	
— — 354	—	—	—	(71)	—	1,857	
— (94,722)	—	—	—	—	—	(94,722)	
— — —	—	—	—	(1,336)	—	(1,336)	
— 189	—	40	—	—	—	6,865	
(3,204) (32,705) (3,525)	—	4,226	8,291	(2,585)	—	(35,629)	
(22) — —	—	—	—	(29)	—	(6,265)	
2,892 222	183	5,632	809	715	—	9,923	
— (367) (157)	—	5,335	35	(7)	—	(7,411)	
— — —	—	—	—	683	—	(13,074)	
81 — (206)	—	(40)	—	30	—	(106)	
— — 66,791	—	—	—	—	—	66,791	
— — —	—	—	—	294	—	294	
(2,373) — (296)	—	388	8	(883)	—	(6,641)	
— — —	—	—	—	(313)	—	(313)	
4,907 1,118	101	(87)	347	32	—	8,547	
(1,478) — —	—	—	15	917	—	(2,397)	
(3,139) (102,004)	73,193	14,197	9,655	(1,173)	—	243,735	
64,464 (67,092)	785,094	(14,607)	(16,980)	3,442	—	1,267,927	

— — —	—	—	—	(2,000)	—	(52,000)
— — —	—	—	—	(6,995)	—	(200,045)
— — —	—	—	—	—	—	(47,395)
— — —	—	—	—	—	—	(653)
8,867 —	—	31,574	—	7,599	—	60,339
(32,608) (54,182)	—	—	—	(1,577)	—	(159,736)

(Continued)

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 1997

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
ACTIVITIES				
Grants provided.....	—	—	—	(34,444)
Lottery payments for education.....	—	—	—	—
Net Cash Provided by (Used In) Noncapital Financing Activities.	(278,503)	—	(68,670)	(37,439)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
FINANCING ACTIVITIES				
Unamortized water project costs.....	—	(17,528)	—	—
Acquisition of fixed assets.....	(113)	(174,714)	—	(51,209)
Proceeds from sale of fixed assets.....	—	—	—	—
Advances from other funds.....	—	1,670	—	—
Return of advances from other funds.....	—	(26,839)	—	—
Proceeds from notes payable and commercial paper.....	—	149,000	—	—
Principal paid on notes payable and commercial paper.....	—	(110,190)	—	—
Retirement of general obligation bonds.....	—	(36,645)	—	—
Proceeds from revenue bonds.....	—	284,824	—	—
Retirement of revenue bonds.....	—	(180,774)	—	(6,445)
Interest paid.....	(80)	(189,756)	—	(2,226)
Grants received.....	—	—	—	—
Operating transfers in.....	—	—	—	6
Net Cash Provided by (Used In) Capital and Related Financing Activities.	(193)	(300,952)	—	(59,874)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments.....	—	—	—	—
Advances and loans provided.....	—	—	(74,232)	—
Collection of advances and loans.....	—	3,285	28,198	475
Proceeds from maturity and sale of investments.....	191,882	7,472	—	5
Interest on investments.....	11,552	5,564	92,870	35,253
Net Cash Provided by (Used In) Investing Activities.	203,434	16,321	46,836	35,733
Net Increase (Decrease) in Cash and Pooled Investments.	25,269	453	(7,068)	51,645
Cash and Pooled Investments at July 1, 1996.	313,926	348,112	77,715	656,306
Cash and Pooled Investments at June 30, 1997.	\$ 339,195	\$ 348,565	\$ 70,647	\$ 707,951

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction	Loan Insurance	Other Enterprise	Total
—	—	—	—	—	—	—	(34,444)
—	—	(767,488)	—	—	—	—	(767,488)
(23,741)	(54,182)	(767,488)	31,574	—	—	(2,973)	(1,201,422)
—	—	—	—	—	—	—	(17,528)
(40,651)	(371,103)	(1,234)	(25)	—	—	—	(639,049)
—	—	30	—	—	820	—	850
—	366,734	—	—	—	—	—	368,404
—	(366,734)	—	—	—	—	—	(393,573)
—	—	—	—	—	—	—	149,000
—	—	—	—	—	—	—	(110,190)
—	—	—	—	—	—	—	(36,645)
177,432	917,075	—	—	—	—	—	1,379,331
(29,852)	(1,030,211)	—	—	—	—	—	(1,247,282)
(18,589)	—	—	—	—	(950)	—	(211,601)
389	—	—	—	—	—	—	389
—	54,035	—	—	—	—	—	54,041
88,729	(430,204)	(1,204)	(25)	—	(130)	—	(703,853)
—	(680)	(321,871)	—	—	(10,882)	—	(333,433)
(580)	—	—	(9,478)	—	(1,402)	—	(85,692)
—	—	—	5,536	—	1,435	—	38,929
—	—	291,915	—	—	—	—	491,274
24,649	—	15,464	12,707	7,749	2,688	—	208,496
24,069	(680)	(14,492)	8,765	7,749	(8,161)	—	319,574
153,521	(552,158)	1,910	25,707	(9,231)	(7,822)	—	(317,774)
360,644	920,120	180,189	74,920	141,586	74,841	—	3,148,359
\$ 514,165	\$ 367,962	\$ 182,099	\$ 100,627	\$ 132,355	\$ 67,019	—	\$ 2,830,585

(Concluded)

